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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 005684

SIPDIS

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TAGS: PREL PTER PGOV PHUM IN NP SUBJECT: INDIAN OBSERVERS: TIME TO TURN UP PRESSURE ON

NEPAL'S KING

REF: A. KATHMANDU 1533 NOTAL

¶B. KATHMANDU 1548 ¶C. NEW DELHI 5319

Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

(C) Summary: Non-governmental Nepal-watchers in New Delhi remain pessimistic about the chances for a compromise between King Gyanendra and the Nepalese political parties. Many say that the next 2-3 months will be crucial for a rapprochement, with a strong likelihood that the parties and Maoists will be driven together if the King does not reach out to the parties. Our contacts with Left-leaning sympathies assert that the Maoists are interested in joining the political process, and suggest the time is ripe for the parties and international community to reach out to them. However, Niranjan Koirala, the nephew of Nepali Congress leader GP Koirala, refutes the notion that the parties would ever agree to join forces with the Maoists, and holds out hope that the King will agree to reinstate the dismissed Parliament as an exit strategy from the present stalemate. End Summary.

Maoists Ready to Work with Parties

- (C) SD Muni of Jawaharlal Nehru University, a leftist professor with excellent contacts with the Nepalese Maoists, told Poloff recently that the Maoists are ready for mediation to join a political process, arguing that their sincerity can only be tested by reaching out to include them. Muni claimed that the GOI too is coming around to the view that the Maoists should follow the lead of the parties in the face-off with the Palace, and that the parties should engage the Maoists. If the two joined forces, he asserted, the King would be forced to concede on two key points: (1) civilian control of the Army; and (2) calling a constituent assembly. These two concessions would be sufficient for the Maoists to accept a multiparty democracy and even the continuance of the King as a titular monarch.
- (C) The parties are ready to work with the Maoists in a political process, Muni continued. They have told GP Koirala that in a movement against the monarchy, "you lead, and we will follow." He asserted that Maoist leader Prachanda has demonstrated his bona fides by ordering his cadres to avoid attacking the parties, and allowing political party leaders to return unmolested to their villages. When Poloff pushed back on this, noting that their actions do not indicate the Maoists are interested in abandoning violence (Ref B), Muni conceded that he could propose no test to distinguish an actual Maoist change of heart from a calculated ploy to gain power.
- (C) MG (ret) Ashok Mehta agreed with Muni that the Maoists stalemate against the RNA had made them receptive to talks. He dismissed the announcement by the political parties that they would not negotiate with the Maoists until the insurgents had renounced violence as posturing, adding that the parties would talk with the Maoists at any time. However, he suggested the Maoist offer to talk to the parties was made in order to embarrass the King, and noted the Palace could prevent the talks by either outlawing the parties or physically barring the movement of their representatives.

Koirala's Nephew: No Compromise

- (C) Strongly refuting the suggestion that the political parties would accept Maoist overtures to make a common front against the Palace, Niranjan Koirala declared that his uncle would never accept a deal until the Maoists verifiably disarmed (Ref B). To do otherwise would be "suicidal," he added. GP Koirala recognizes that it would be easy to start a mass movement against the monarchy, but once it started it would be difficult to control, and the Maoists could end up benefiting most. Koirala speculated that in the event the Maoists did agree to disarm in the future, the UN or another outside party would need to oversee and verify the process to ensure compliance. India's consent to outside involvement would be essential, he conceded.
- (C) Some within the parties do want to join the Maoists and have welcomed the Maoist overtures, Koirala admitted. The younger cadres in most of the major parties are more radical and opposed to monarchy. Koirala accused the GOI of

"manipulating the Maoists" in an attempt to bring about a political process to end the insurgency (Ref A), but warned that the King has agents in the Maoist hierarchy as well, and could use his own agents to block any actions that appear to bring the parties and Maoists closer. Muni accused the RNA of committing massacres while disguised as Maoist cadres in order to prevent the parties from trusting the Maoists.

## King Needs to See Reality

- 16. (C) Muni, Mehta, and Koirala all emphasized to Poloff that King Gyanendra has not accepted the need to bring the parties into a compromise. He believes that the RNA has made progress in battling the Maoists since February 1, and that life in Nepal is returning to normal. However, Mehta pointed out, the King has nothing to show for six months of direct rule. "Someone needs to disabuse him of the idea that he can retain absolute power," Mehta declared, suggesting that only a joint approach by the US, UK, India, and possibly the EU at the foreign minister level would convey the message to the King through the sycophants surrounding him.
- 17. (C) Koirala warned that although Kathmandu appears peaceful, the tranquility is superficial. The King has damaged the institution of monarchy in the minds of the people, and 70% of the population opposes the King, Koirala claimed. The population is frustrated with the King, and a small spark could set off a widespread agitation. Mehta agreed that after 2-3 months, frustration could build to the point of a mass march on the palace to demand concessions from the King as occurred in 1990.

Reinstating Parliament Would Help Defeat Maoists

18. (C) Koirala repeatedly stressed the (self-serving) argument that reinstating Parliament would be the most successful way out of the stalemate. Only Parliament has the confidence of a wide base of people to be trusted as an institution, he claimed, as the King's arbitrary actions have damaged all other national institutions. If the Parliament controlled the RNA, it would easily defeat the Maoists, Koirala asserted, by marshalling its own party cadres alongside the RNA in rural areas to root out Maoist insurgents. He suggested the King might be able save face while recalling the Parliament by pointing to changed circumstances making reinstatement appropriate.

Comment: Time for a Stronger Approach?

19. (C) Our GOI interlocutors and contacts with connections to the Nepalese political class, Maoists, and Palace are in near universal agreement that the next few months are crucial to resolving the stalemate between the Palace and the political parties. U/S Burns told the press in Washington that the President and PM Manmohan Singh agreed that the King needs to restore civil liberties, and reach out to the parties. Building on this, we should discuss with the GOI what additional actions we can take together to induce the King to include the parties in a political dialogue leading to representative government.